



JACK O'CONNELL
State Superintendent of Public Instruction

CALIFORNIA
DEPARTMENT
OF
EDUCATION

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Sacramento, CA

94244-2720

March 17, 2003

Dear Select County Superintendents of Schools, County Auditors, and County Treasurers:

**Notice of the Recertified Special Purpose Apportionment:
Pupil Transportation (Special Purpose), School Improvement Program, and Economic
Impact Aid, Fiscal Year 2002-03**

This apportionment, in the amount of \$1,178,599,735, is made from funds provided in the 2002 Budget Act (Chapter 379, Statutes of 2002), and Assembly Bill (AB) 2781 (Chapter 1167, Statutes of 2002). These funds support the Pupil Transportation (Special Purpose), the School Improvement Program (SIP), and Economic Impact Aid (EIA) programs. This apportionment recertifies the March payments for Pupil Transportation and SIP.

Note that the 2002-03 levels of funding for Pupil Transportation and SIP are reduced from prior year levels. In addition, the allocation process requires that the 2002-03 funds for these programs be apportioned in the months September through March with just over fourteen (14) percent, or one-seventh, of the annual entitlement apportioned in each month. Local educational agencies (LEAs) will have received one hundred percent of the total annual entitlement for Pupil Transportation and SIP upon receipt of this apportionment. No funds will be distributed in April, May and June. However, the Legislature already has appropriated special Pupil Transportation and SIP funds for 2003-04, to be allocated in July 2003. The July 2003 apportionment will equal about 27 percent of the combined 2003-04 special appropriation and 2002-03 funding for these two programs.

Payments to LEAs for EIA follow the traditional special purpose formula of 10 percent monthly for the 10 months of September 2002 through June 2003. The apportionment for March 2003 equals 70 percent of the annual entitlement, less funds previously apportioned through February 2003.

The Summary of Apportionment and the Monthly Payment Schedule show subtotals for the SIP, EIA and Transportation funds. The State Controller will issue one warrant for the total payment of this apportionment.

Notice, Summary, and Exhibits Enclosed

- A. Notice of the Recertified Special Purpose Apportionment: Pupil Transportation (Special Purpose), School Improvement Program and Economic Impact Aid, Fiscal Year 2002-03
- B. Summary of Apportionments by County
- C. Monthly Payment Schedule

Program Notes

Pupil Transportation – There has been no change to the annual entitlement previously certified.

School Improvement Program (SIP) – There has been no change to the annual entitlement previously certified.

Economic Impact Aid (EIA) – There has been no change to the annual entitlement previously certified.

Supplemental Grants Roll-In – No Supplemental Grant funding is provided in 2002-03. As such, no allocations will be made in 2002-03 for Supplemental Grants which contribute to the SIP and EIA and Transportation program selections made pursuant to *Education Code* Section 54761.2. However, AB 2781, Section 50 (a)(4) appropriates \$241,739,000 for a special supplemental grant apportionment in July 2003.

Transportation, SIP and EIA for Charter Schools – Beginning in fiscal year 2002-03, all charter schools, except for certain districts with all schools converting to charter status, are being funded through the charter school block grant funding model pursuant to *Education Code* Section 47633 et seq., which includes categorical block grant funds in lieu of various categorical programs, including SIP and EIA. These block grant funds are allocated as part of the revenue limit Principal Apportionment process. Charter enrollment and average daily attendance will be excluded from district totals when computing the 2002-03 entitlements for SIP and EIA. For purposes of Pupil Transportation, however, *Education Code* Section 47612 deems a charter school to be a school district. As such, to establish base transportation funding for a charter school, the district must determine its cost to transport the charter school students previously served by the district. This will establish the separate transportation funding base for the charter school and result in a corresponding reduction to the district's allowance.

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More Information/Questions

County offices of education should notify LEAs in their county of the information included in this apportionment. In addition, this apportionment letter will be posted on the California Department of Education Web site at: www.cde.ca.gov/fiscal/categorical. General questions concerning this apportionment may be directed to Ross Valentine (916) 327-4405 or by e-mail at rvalenti@cde.ca.gov. For specific program areas, please contact the School Fiscal Services Division staff as follows:

<u>Program</u>	<u>Contact</u>	<u>Area Code (916)</u>	<u>E-Mail Address</u>
Pupil Transportation	Leslie McCage	324-4537	lmccage@cde.ca.gov
School Improvement	Julie Brucklacher	327-4406	jbruckla@cde.ca.gov
Economic Impact Aid	Ross Valentine	327-4405	rvalenti@cde.ca.gov

Sincerely,

JACK O'CONNELL

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Enclosures